Progress in
the Cigarette Restitution Fund Program

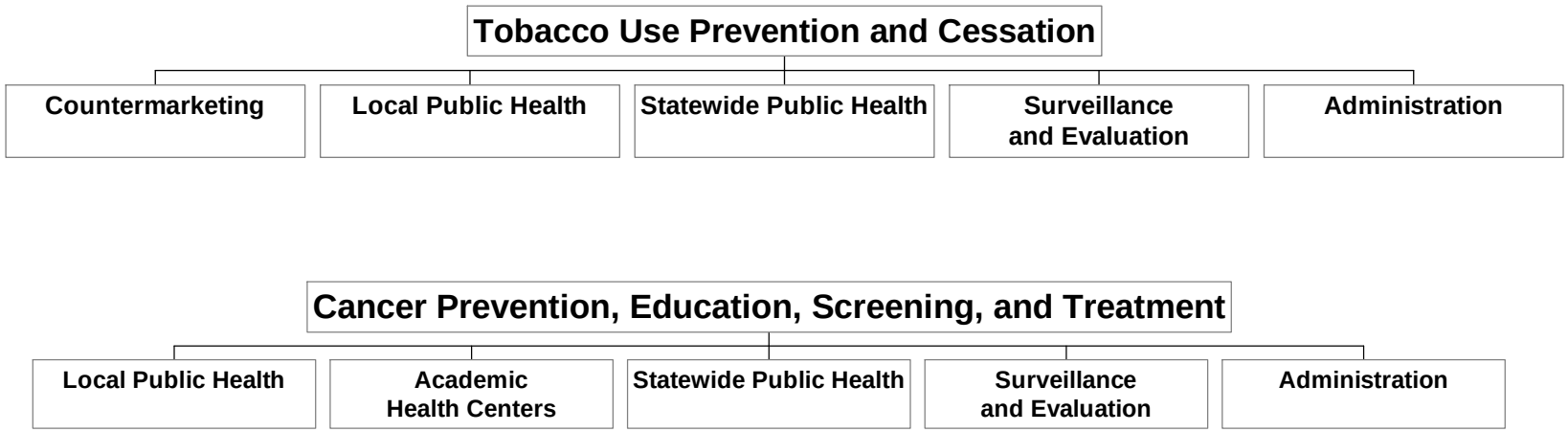
Maryland Department of Health and Mental Hygiene
2004 Session

Maryland at the Forefront of the Battle Against Tobacco

2002	**Cigarette Tax Increase of 34 Cents to $1 per pack**
2001	**New Tobacco & Cancer Programs Established with First Settlement Payments - SB 896 & HB 1425**
2000	**Community Taskforces Provided Guidance for Public Health Use of Settlement Funds**
1999	**Cigarette Tax Increase of 30 Cents to 66 Cents per Pack**
1998	**Signed Master Settlement Agreement**
1997	**Joined Multi-State Litigation Against Tobacco Manufacturers**
1994	**Groundbreaking Clean Indoor Air Regulations Passed**

Structure of the CRFP

As a result of SB 896/HB 1425, the Cigarette Restitution Fund Program is structured as follows:



Goals of CRFP

- Lower tobacco use rates among youth and adult populations, especially those targeted by tobacco industry;

- Lower cancer incidence and mortality for seven targeted cancers: colorectal, breast, cervical, skin, prostate, oral, and lung;

- Ensure the CRFP reaches minority populations through the Minority Outreach and Technical Assistance program (MOTA).

Maintaining Momentum

- Cost containment measures have been implemented to help address the State budget shortfall and declining revenues, while maintaining programs;

- Surveillance, evaluation and public awareness measures have been deferred; CRF funding for Medicaid have been reduced by 50%;

- Local health department funding and cancer research activities have been reduced.

FISCAL 2005 BUDGET

$ (in millions)

	Fiscal 2002 Actual Expended	Fiscal 2003 Actual Expended	Fiscal 2004 Appropration.	Fiscal 2005 Allowance
Cancer Prevention, Education, Screening and Treatment				
Administration	1.0	1.0	1.0	1.0
Surveillance & Evaluation	1.3	2.1	1.8	1.6
Statewide Academic Health Centers	18.4	18.9	17.2	15.8
UMMG - Heart and Lung	3.0	3.0	2.3	2.0
Local Public Health	10.9	12.2	8.6	7.5
Montgomery and Prince George's County Hospitals	0.0	0.0	0.0	0.0
Statewide Public Health	0.0	0.0	0.0	0.0
Subtotal	**34.6**	**37.2**	**30.9**	**27.9**
Tobacco Use Prevention and Cessation				
Administration	0.8	0.6	0.5	0.4
Surveillance & Evaluation	1.4	2.5	0.0	0.0
Countermarketing	4.3	5.7	4.0	1.0
Local Public Health	8.8	9.1	8.0	7.0
Minority Outreach	1.0	1.0	1.0	0.9
Statewide Public Health	0.6	0.7	0.3	0.2
Subtotal	**16.9**	**19.6**	**13.8**	**9.5**
Breast and Cervical Cancer	0.0	0.0	2.0	2.5
Maryland Health Care Foundation	1.0	1.0	0.0	0.0
Management Support Service	0.0	0.4	0.6	0.4
Mental Health	1.6	0.0	0.0	0.0
Drug Addiction	16.9	18.5	17.1	17.1
Education	41.6	14.4	3.0	3.0
Crop Conversion	6.3	6.3	5.1	5.7
Legal Expenses	0.1	0.0	0.0	0.2
Medicaid	0.0	104.0	106.6	50.5
Totals	**119.0**	**201.4**	**179.0**	**116.8**

Note: Numbers may not sum to total due to rounding.

Status of Tobacco Use in Maryland

- Completed Baseline Study of adult and youth tobacco use in Fall 2000; 55,967 youth and 16,596 adults surveyed:
  - 22% of youth and 21.8% of adults used some form of tobacco product;
  - Over 50% of Maryland's current smokers tried to quit in the past year.
- Changes in Tobacco Use Since CRF Started:
  - 15.4% of adults smoked cigarettes in the fall of 2002 as compared to 22% in 2000;
  - 30.6% fewer under-age middle school students were current cigarette smokers in 2002 than in 2000;
  - 23.5% fewer under-age high school students were current cigarette smokers in 2002 than in 2000;
  - 54% of the long-term (18 year) decline in the percentage of Maryland adults who smoke cigarettes has occurred in the four years since the Cigarette Restitution Fund was created.

Status of the Counter-Marketing Program

- Campaign launched February 2002 focused on preventing youth from smoking and reducing exposure to secondhand smoke;
- Gray, Kirk, Vansant (GKV)continue as the prime vendor for the statewide media campaign with The 21st Century Group as the Baltimore-based MBE subcontractor:
  - 110,295 Marylanders have visited the comprehensive website, www.smokingstopshere.com that features resources and ideas for participation in the campaign;
  - 23,696 Maryland citizens have pledged online to take action at the community level;
  - Over 93 organizations have pledged their support of Smoking Stops Here.

Accomplishments of the Tobacco Program

- Conducting tobacco programs in all local jurisdictions using the CDC Best Practice Guidelines:
  - **School Based** – 254,191 K-12 students received tobacco use prevention education; 79,090 college students received education; and 4,666 students received smoking cessation support at school;
  - **Community-Based Prevention and Cessation** – a partnership between local and state health departments, schools and universities, families and law enforcement agencies; 3,500 health care providers, parents and advocates trained; 300,774 people have been educated on the dangers of tobacco use; and over 10, 971 adults have participated in smoking cessation classes;
  - **No Smoking Laws Enforcement** – Underage tobacco sales is enforced in each county through partnerships with law enforcement; 1,586 tobacco retailers were issued citations for sales to minors.

Status of Cancer In Maryland

- Completed Baseline Cancer Study August 2000 and Annual Cancer Studies in September 2001, 2002 and 2003 on cancer cases and deaths for the seven targeted cancers;
- Major Findings in 2003:
  - Maryland improved its cancer death rate from 3rd in nation in 1986-1990 to 16th in 2000;
  - While cancer deaths are declining for all races, minorities continue to have 15% more cancer deaths than Whites in 2001;
  - Maryland ranks number 3 in the nation in deaths from colorectal cancer;
  - Colorectal cancer screening has increased by 52% in four years and colonoscopies have doubled from 1999 to 2001.

Accomplishments of the Cancer Program

- Continued cancer education, screening, and treatment program in all local jurisdictions:
  - 21,185 total cancer screenings: 10,721colorectal, 1,082 prostate, 4,896 oral, 1,116 skin, 2,289 breast, and 1,081 cervical;
  - 788 colon polyps were removed, preventing many costly and life threatening cancers; overall, there were 82 cancers diagnosed, 48 were colorectal;
  - 160,831 persons informed and educated about the importance of screening for colorectal cancer; another 71,084 have been educated about other cancers;
  - Developed minimal clinical guidelines for prostate, colorectal and oral cancers.

Accomplishments of the Cancer Research Program

- Investing in research to detect, treat, and prevent cancer:

Grant	Partner	Accomplishments
Cancer	UMMG	91% increase in clinical trials
		Renovated space for research
Cancer	Hopkins	Funded 55 new cancer research grants
		Leveraged $10 for each CRFP dollar and another $10 leveraged in business
		Convened joint “Research Matters” annual conference with UMMG
Network	UMMG	36,000 individuals reached through educational programs
		21 telemedicine/video linkage sites established
		Leveraged an additional $10.3 million
Tobacco-Related Disease	UMMG	Funded 41 new research projects
		renovated space for research

Minority Outreach And Technical Assistance

- Funds distributed to 15 grantees with 23 subvendors who targeted minority communities in fifteen jurisdictions in the State;
- Continued 3 current grantees and funded 12 new grantees including African Americans, Native Americans, Asians, Hispanics and Women;
- 180 grantees and their partners attended health coalition meetings in each of the State's 24 jurisdictions in 2003;
- MOTA funds have gone to 8 Native American, 5 Hispanic, 7 Asian, 90 African American, 2 Women only and 70 Faith-Based groups throughout the State in 2003.

Accomplishments of Drug Treatment Program

- CRF funds are used to increase the capability for drug detoxification in each jurisdiction in the State to increase the availability of residential treatment slots, and improve screening and assessment;
- Funds are used to develop improved performance measures and systems for accountability (e-SAMIS, HATS, CESAR pilot), this information technology is critical for our knowledge regarding the outcomes of substance abuse treatment;
- During fiscal year 2003, CRFP funds paid for 1,134 slots that provided inpatient, halfway house, outpatient, transitional living and Methadone Maintenance to adults in Baltimore City; this includes 40 outpatient slots for adolescents;
- In Baltimore County, 304 slots provided residential rehabilitation, inpatient and outpatient detoxification services;
- Among all other counties, over 370 slots were provided and 2,700 individuals received inpatient, outpatient and institutional addiction services.

Department of Health and Mental Hygiene
Cigarette Restitution Fund Program

Response to Issues

1. **Issue: Tobacco Program – Minority Outreach & Technical Assistance. The Department should comment on the planned reversion of minority outreach and technical assistance funds in fiscal 2004**.

Response: The Department level funded the minority outreach and technical assistance program at $1 million in fiscal 2004. The $0.5 million targeted for reversion will be used to fulfill cost containment measures in the Cigarette Restitution Fund Program in fiscal 2004 and 2005. This reversion has been included in the projected balances presented in the fiscal 2005 budget book.

2. Issue: Tobacco Program – State Required Funding. The Department should comment on reductions to the Cancer Prevention, Education, Screening and Treatment program in the event that budget reconciliation language is not adopted by the General Assembly.

Response: If an additional $8.6 million were reduced from the Cancer Prevention, Education, Screening and Treatment Program, this would result in an additional 28% reduction to this program. Depending on where these cuts are taken, it would result in severe reductions in each of the funded components including the public health and research programs, could possible result in the termination of some programs and could result in staff layoffs local level and state level due to the cap on administrative costs in this program.

3. **Issue: Academic Health Centers – University of Maryland Medical Group. The Department and the University of Maryland Medical Group should comment on the apparent duplication of effort in their breast and cervical cancer screening efforts. The Department should also comment on the cost-effectiveness of University of Maryland Medical Group referrals to the Breast and Cervical Cancer Diagnosis and Treatment program, including an estimated impact on program costs. Finally, DHMH and the University of Maryland Medical Groups should discuss the feasibility of the University of Maryland Medical Groups funding the treatment of all individuals identified through its screening program**.

Response: There is no duplication in breast and cervical cancer screening in Baltimore City. The breast and cervical cancer screening services provided by the University of Maryland augment the services provided by the Department's Breast and Cervical Cancer Screening Program. The burden of breast cancer in Baltimore City is very high. Baltimore City has the second highest breast cancer mortality rate in the state and is one of two jurisdictions in the state with breast cancer mortality rates that are significantly higher than the U.S. If the state is going to succeed in reducing its breast cancer mortality rate, additional efforts are needed in Baltimore City.

The University of Maryland had budgeted funds for breast and cervical cancer treatment for the expected number of patients to be diagnosed with cancer, based on estimates from the scientific literature. However, the number of women diagnosed with breast and cervical cancer was higher than expected due to the program reaching high risk populations. The University of Maryland only referred patients to DHMH's Breast and Cervical Cancer Diagnosis and Treatment Program after all funds budgeted for treatment under its CRFP grant were spent. This is consistent with the intent of the CRFP law to either provide treatment or link cancer patients with treatment.

Approximately 4,700 women are served annually by DHMH's Breast and Cervical Cancer Diagnosis and Treatment Program. Referral of six patients from the University of Maryland represents a very small additional burden on DHMH's Breast and Cervical Cancer Diagnosis and Treatment Program. However, if all local health departments decided to switch from colorectal cancer to breast and cervical cancer under the CRFP, this could have a significant impact on DHMH's Breast and Cervical Cancer Program.

If the University of Maryland funded treatment for all women diagnosed through its program and if they diagnosed more women than expected, they would need to halt screening services at some point in the year (depending on the number of women diagnosed and the cost of treatment) and then resume screening the following fiscal year.

4. **Issue: Academic Health Centers – Administrative Costs. The components of the Statewide Academic Health Center program vary in the amount of grant funds that directly serve their dedicated purposes. These programs can not operate without a certain amount of administrative support, but the current reading of the administrative cost limit would not seem to maximize the availability of funds for cancer research, screening, and treatment. The General Assembly may want to consider establishing a definition of administrative cost that is inclusive of a greater variety of general operating expenses**.

Response: The vast majority of funds used by the statewide academic health centers under the CRFP are used for programmatic staff (e.g. clinicians, case management staff, researchers), supportive resources or clinical services. Broadening the definition of administrative costs for the CRFP would add significant administrative burden for this Program at a time when cost containment is putting additional burdens on these programs.

Department of Health and Mental Hygiene
Cigarette Restitution Fund Program

Responses to Recommended Actions

2. **Recommendation: Consider language to require minimum amounts of clinical spending for local public health programs. Although administrative costs are capped at 7%, there is no current requirement on the amount of local public health funds that must be dedicated to clinical cancer services. DLS recommends language that would require grant recipients to dedicate at least 60% of grant awards to the cost of screening, diagnosis, and treatment, consistent with federal Breast and Cervical Cancer Program guidelines.**

   Response: The Department disagrees with this recommendations and requests that no additional requirements and administrative burden be added to the CRFP at this time of cost containment.

   The current CRFP statute already contains a multitude of administrative requirements for the public health programs, such as requirements for local health departments to develop annual cancer plans, work with their local cancer coalitions, and submit various programmatic and fiscal reports. In addition, the reductions in the CRFP have made it more difficult to provide clinical services. As funding for the CRFP has been reduced, most local public health programs can no longer afford to pay for treatment with their grant funds and may need to reduce screening services.

   The CRFP is very different than the Breast and Cervical Cancer Screening Program (BCCP). The CRFP is decentralized with different cancers and different models for screening; whereas, the BCCP is centralized, focuses on the same cancers, and uses the same model in each jurisdiction. It requires significant time and effort for the BCCP to plan and monitor its programs to assure that it stays within the screening cap. The additional administrative time and effort to require a minimum cap for screening services in the CRFP would detract resources from needed services.